



PLATSEARCH NL

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29 October 2004

QUARTERLY REPORT FOR PERIOD ENDED 30 SEPTEMBER 2004

HIGHLIGHTS

- Two joint venture agreements relating to the **Mulyungarie, Mundi Mundi, Euriowie and Para Tank tenements** were signed with Western Plains Gold during the quarter. Subject to certain events and conditions being satisfied, these joint ventures will lead to very substantial exploration work including drilling on these areas.
- PlatSearch announced the sale of its 80% interests in each of the **Trundle** EL 4512 and the **Redan** EL 5795 tenements to Western Plains Gold. WPG intends to list on the Australian Stock Exchange and PlatSearch has negotiated for its shareholders to have a priority offer to subscribe for shares. If WPG is successful in its plan to raise \$4.8 million and list on ASX, it is anticipated that PlatSearch will hold approximately 18% of the shares in WPG. PlatSearch retains an NSR royalty interest in both tenements.
- A letter agreement was signed with Perilya Broken Hill regarding the southern part of PlatSearch's **Hollis Tank** tenement and the **Coultra** tenement. Perilya has commenced field work.
- A Heads of Agreement was signed with Broken Hill Cobalt (BHC) in relation to the northern part of **Hollis Tank** EL 5765.
- Inco has completed a large airborne electromagnetic (AEM) survey over PlatSearch's **Wynbring Project** in early August 2004. Ground follow-up of selected AEM anomalies will commence in early 2005.
- Red Metal has identified two strong gravity anomaly targets in the **Callabonna and Quinyambie** tenements located on the northern margin of the Curnamona Craton. Pre-collar drilling to basement depth will commence in November 2004.
- PlatSearch's application for drilling assistance on its **Frome/Poverty Lake** project under the State Government's "Plan for Accelerating Exploration, 2004" was successful. Discussions with potential joint venturers are in progress.

CURNAMONA PROVINCE/BROKEN HILL, NSW AND SA

Mundi Mundi, NSW and Mulyungarie, SA - EL 4657 PlatSearch 100%; WPG can earn 60%, and EL 2776 PlatSearch 80%, Eaglehawk 20%; WPG can earn 60%

A Joint Venture Agreement has been signed with Western Plains Gold Ltd (WPG) in relation to the K1 Project, at Broken Hill NSW (see ASX announcement 23 September 2004). The subject of the joint venture is an area of 44 square kilometres (the Joint Venture Area) that is part of PlatSearch's Mulyungarie EL 2776 and all of Mundi Mundi EL 4657 tenement and that covers the K1 Prospect.

The focus for the joint venture will be the K1 magnetic anomaly that indicates the presence of a large ironstone body under approximately 120 metres of surficial cover. This anomaly is by far the strongest in the Broken Hill region measuring up to approximately 7,500 nanoteslas on the ground. Geophysical modelling indicates that the causative body is very large with a strike length in excess of 600 metres and that the ironstone mass is of the order of 100-150 million tonnes. In 1994 BHP drilled one shallow core hole on this anomaly intersecting quartz-magnetite-hematite-chlorite rock containing anomalous gold values that averaged 0.14 g/t gold over a 7 metre interval. During the quarter PlatSearch has completed detailed gravity and ground magnetic surveys over the anomaly area.

The K1 Anomaly is drill ready and WPG has advised that it will commence drilling immediately following its proposed IPO capital raising and listing on the stock exchange.

Hollis Tank and Coultra, NSW - EL 5765, PlatSearch 80%, Eaglehawk 20%; Perilya can earn 80% in southern part, BHC can earn 75% in northern part, EL 6041, PlatSearch 80%, Eaglehawk 20%; Perilya can earn 51%

Two agreements have been signed regarding the Hollis Tank and Coultra tenements (see ASX announcements 8 and 29 September 2004).

A Heads of Agreement has been signed with Broken Hill Cobalt Limited (BHC) in relation to the northern part of Hollis Tank EL 5765 covering an area of 182 square kilometres (Joint Venture Area). The area is considered to be prospective for stratabound copper-gold-cobalt deposits and Broken Hill style stratiform lead-zinc-silver deposits. The agreement is subject to BHC achieving a successful IPO by 23 February 2005.

A letter agreement with Perilya Broken Hill Limited, a wholly owned subsidiary of Perilya Limited (Perilya) in relation the southern part of Hollis Tank EL 5765 and Coultra EL 6041, covering a total area of 106 square kilometres (Joint Venture Area). The area is considered to be prospective for stratabound copper-gold deposits and Broken Hill style stratiform lead-zinc-silver deposits.

There has been little effective exploration work in this area in the past due to the extensive soil cover. Recent NSW Geological Survey mapping has identified a number of outcropping gossans in the Broken Hill and Thackaringa Group rocks under shallow soil cover in the area and previous work has shown strong and widespread anomalism in zinc, copper, lead, cobalt, gold and silver from soil and rock-chip sampling and RAB geochemistry.

Perilya has commenced a programme of geochemical sampling and is focussing its attention on the Hillston fault, regarded as a possible extension of the Globe Vauxhall Shear Zone which is spatially associated with the Broken Hill Line of Lode some 40 kilometres to the north east.

Euriowie and Para Tank, NSW - EL 5771 and EL 6188, PlatSearch 80%, Eaglehawk 20%; WPG can earn 60%

A Joint Venture Heads of Agreement has been signed with Western Plains Gold in relation to the Euriowie Project tenements EL 5771 and EL 6188 (see ASX announcement 21 September 2004).

Further work by PlatSearch during the year has isolated five priority prospects that will be the focus of early attention by the WPG/PlatSearch joint venture. Only one of these prospects has had previous drilling. At Yalcowinna Creek prospect, detailed mapping and sampling has defined a 50-150 metre wide zone of outcropping sulphide gossans with anomalous copper, gold and silver (up to 12% copper, 2.2 g/t gold and 100 g/t silver) extending over a strike length of at least 700 metres. At Son of Man prospect, sulphide gossans carrying up to 3.6% copper and 13 g/t gold outcrop intermittently over a 3.5 kilometre strike length. The Fairy Hill Mine prospect shows abundant copper oxide (malachite) in gneissic rocks exposed in workings. Limited rock-chip sampling shows values up to 37.7% copper and 1 g/t gold. Smiths Well prospect contains numerous low outcrops of sulphide gossans and ironstones with anomalous copper and gold scattered over a large, mostly soil-covered area. A strong magnetic anomaly in the area represents a possible early drill target. At the Golden King Mine, a 10 metre wide mylonitic shear zone extends over a strike length of at least 800 metres and carries significant copper-gold mineralisation. Limited rock-chip sampling shows values up to 44 g/t gold and 7% copper. Two previous drillholes intersected a 7 metre wide zone carrying copper mineralisation, but neither hole was assayed for gold.

WPG will undertake a \$430,000 work programme over the next two years consisting of detailed RAB drilling, sampling and geological mapping on the above prospects followed by deeper percussion drilling on selected targets.

Redan, NSW - EL 5795, PlatSearch 80% was acquired by WPG, PlatSearch has NSR royalty

PlatSearch's 80% interest in the Redan tenement has been acquired by WPG in exchange for WPG shares (see ASX announcement 18 October 2004). PlatSearch retained an NSR royalty interest.

The Redan tenement is located on the south eastern margin of the Broken Hill Block. Several priority targets have been identified in this area and will be the subject of a substantial work programme including drilling by WPG. Work by previous explorers during 1975-82 concentrated in the northern parts of the Redan tenement where there is more outcrop, although sparse. This area embraces many prospects defined on the basis of outcropping gossans, strongly anomalous geochemistry in soils and RAB drilling results. Within the RAB drilled areas there are extensive zones, kilometres in length, with anomalous copper, lead and zinc. Gold was generally not analysed by earlier explorers. Previous work, including wide-spaced RAB drilling at three prospects Fence Gossan, Chert Ridge and Battery Tank, defines a zone of intermittently outcropping gossans with strongly anomalous copper and gold extending over a nine kilometre strike length. Recent rock-chip sampling by PlatSearch has encountered very high gold values up to 9.49 g/t at Battery Tank and 172 g/t at Chert Ridge. A \$310,000 work programme consisting of detailed RAB drilling, sampling and geological mapping followed by deeper percussion drilling on selected targets is planned for the first two years.

Callabonna, SA - EL 2886, PlatSearch 100%; Red Metal can earn 70%

New gravity data collected by Red Metal Limited has defined a previously untested, regionally significant gravity target. Drill testing of this target, pending finalisation of access negotiations, is scheduled for November 2004 when specialist water bore drillers required for drilling in this region become available. Core drilling into basement will follow in early 2005.

Quinyambie, SA - EL 3197, PlatSearch 50%, a prospecting syndicate 50%, Red Metal can earn 70%

Existing gravity data has defined a previously untested, regionally significant gravity target. Drill testing of this target, pending finalisation of access negotiations, is scheduled for November 2004 when specialist water bore drillers required for drilling in this region become available. Core drilling, pending rig availability, will be completed in early 2005.

Frome and Poverty Lake, SA - EL 3019, PlatSearch 50%, Allender 50%; EL 2948, PlatSearch 50%, Allender 25%, Hosking 25%

PlatSearch has obtained funding support from PIRSA under the State Government's "Plan for Accelerating Exploration, 2004" covering 50% of the drilling costs of the first drillhole in the Frome tenement. PlatSearch is commencing a programme of ground magnetic surveys to refine the interpretation of a series of possible drill targets. Discussions with potential joint venture parties regarding the funding of ongoing work are in progress.

LACHLAN FOLD BELT, NSW**Trundle, NSW** - EL 4152, PlatSearch 80% was acquired by WPG, PlatSearch has NSR royalty

PlatSearch's 80% interest in the Trundle tenement has been acquired by WPG in exchange for WPG shares (see ASX announcement 18 October 2004). PlatSearch has retained an NSR royalty interest. Interpretation of existing data by PlatSearch and WPG has highlighted the presence of situations that have not been targeted by previous explorers. Also, the small geochemical "footprint" often associated with this style of mineralisation may not have been identified by previous wide-spaced, air-core and RAB geochemistry. WPG will drill test targets selected on the basis of gravity and magnetic results, together with systematic follow-up of areas where a reinterpretation of existing geology and geochemistry indicates untested potential. A \$360,000 work programme by WPG is planned for the first two years.

GAWLER CRATON, SA**Wynbring, SA** - EL 3234, PlatSearch 100%, Inco earning 60%

Inco Resources (Australia) Pty Ltd (Inco) has completed an extensive detailed airborne electromagnetic survey over PlatSearch's tenement using the helicopter borne HOISTEM™ system. The survey which comprised 1,946 line kilometres is designed to detect conductive sulphide bodies. A large number of anomalies possibly due to basement conductors has been identified by Inco. Ground follow-up surveys of selected anomalies is expected to commence in March 2005. Planning of possible drilling programmes is in progress but this drilling is unlikely to commence before April 2005.

The Wynbring tenement covers an area of approximately 2,000 square kilometres located on the western margin of the Gawler Craton and is considered to be prospective for nickel sulphide deposits. Inco can earn a 60% interest in the tenement by spending \$2,000,000 within four years from the granting of the licence and is committed to spend at least \$200,000 within the first year.

MT ISA BLOCK, QLD

Horse Creek, QLD - EPMs 13303 and 13304, PlatSearch 100%

PlatSearch has completed a detailed gravity survey over part of EPM 13304. The survey covers the northern extension of a magnetic anomaly considered to be related to a very large ironstone body. The results provide further evidence for the presence of a large ironstone body at depth within PlatSearch's tenement. In the adjoining tenement to the south held by Red Metal Limited, its first drill hole has intersected low-grade copper mineralisation from 443.5 metres to the end of hole at 606.3 metres. Red Metal's September 2004 quarterly report states "selective sampling of anomalous intervals returned 46 metres at 0.11% copper from 446 metres with very anomalous values of nickel, cobalt, vanadium and phosphorous as trace elements. The high potassic alteration, abundant sulphides and trace element association is typical of alteration halos found around IOCG deposits."

OTHER PROJECTS

There has been no significant work or developments on other projects during the quarter.

FINANCIAL

Cash expenditure by PlatSearch on exploration for the quarter was \$105,000. Expenditure by joint venturers on the Company's projects was \$158,000 for the quarter. Cash funds available at the end of the quarter were \$227,000. On 18 October PlatSearch announced a placement of 2,142,857 shares at 7 cents which raised \$150,000. The Company has no borrowings.

PLATSEARCH NL

Bob Richardson
Managing Director

The information on mineralisation contained in this report accurately reflects information compiled by R L Richardson, BSc, BE (Hons), MAusIMM, MASEG, Managing Director of PlatSearch NL a Competent Person (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves), who has relevant experience in relation to such mineralisation and has consented to the inclusion of such information in this report.